REMARKS/ARGUMENTS

These remarks are submitted in response to the Office Action of November 17, 2006 (Office Action). As this submission is timely filed within the 3-month shortened statutory period, no fee is believed due. However, the Office is expressly authorized to charge any deficiencies or credit any overpayment to Deposit Account No. 50-0951.

In the Office Action, Claims 1-20 and 23-46 were rejected under 35 U.S.C. §102(b) as being anticipated by U.S. Patent 5,794,210 to Goldhaber (hereinafter Goldhaber). Additionally, Claims 9, 10, 19, 20, 35, 36, 45, and 46 were rejected under 35 U.S.C. §112, first paragraph, and Claims 9, 10, 19, 20, 35, 36, 45, and 46 were rejected under 35 U.S.C. §112, second paragraph.

Applicants have amended independent Claims 1, 11, 23, 27, and 37 to further emphasize certain aspects of the invention. The claim amendments, as discussed in the following section, are fully supported throughout the Specification. No new matter has been introduced by the claim amendments.

Aspects Of The Invention

Prior to addressing the cited reference and claim rejections, it may be useful to reiterate certain aspects of Applicants' invention. One embodiment of the invention, typified by amended Claim 1, is a method of negotiating an electronic commerce (e-commerce) transaction for the sale of a selected good.

The method can include identifying an asking price for the selected good, and retrieving from memory merchant business objectives (MBOs) and consumer privacy rules (CPRs). The MBOs, more particularly, can comprise a series of merchant-specified rules specifying a plurality of cash or cash-equivalent incentives offered to a consumer in exchange for consumer-specific information. (See, e.g., Specification, p. 9, lines 16-20, and p. 12, lines 9-24; see also p. 5, lines 11-13.) The CPRs can comprise a series of consumer-specified rules specifying a minimum cash or cash-equivalent incentive for

which a consumer will exchange specific items of consumer-specific information. (See, e.g., Specification, p. 9, lines 12-16, and p. 11, lines 17-25.)

The method can further include comparing the MBOs to the CPRs in order to determine whether an agreement can be reached for the sale of the selected good with an incentive based upon the proposed exchange of consumer information. The comparison, more particularly, can be performed by a negotiation engine. The negotiation engine can be configured to determine whether an agreement can be reached based on the comparison of the MBOs and CPRs. The negotiation engine, moreover, can effect this determination without requiring interaction with either a merchant or a consumer or between the merchant and consumer, the negotiation engine acting as an autonomous intermediary. (See, e.g., p. 14, lines 8-17, and p. 15, lines 2-14.) If through the comparing step it is determined that an agreement can be reached, then the e-commerce transaction for the sale of the selected good with the incentive is concluded.

The Claims Define Over The Cited Reference

As noted above, independent Claims 1, 11, 23, 27, and 37 were each rejected as being anticipated by Goldhaber. Goldhaber is directed to a system that attempts to induce consumers conducting transactions over a data communications network, such as the Internet, to pay closer attention to advertisements. (See, e.g., Col. 4, lines 32-46; see also Abstract.)

Applicants respectfully submit, however, that Goldhaber fails to expressly or inherently teach every feature recited in Claims 1, 11, 23, 27, and 37, as amended. Fundamentally, Goldhaber does not address the exchange of consumer information in a manner comparable to the mechanism provided by Applicants' invention for effecting such exchange.

Firstly, Goldhaber does not provide anything comparable to Applicants' consumer privacy rules. Goldhaber provides a consumer interest profile, as noted in the Office Action, but it does not specify a set of rules that can be used to determine with an

autonomous intermediary whether a transaction can be consumated. Goldhaber's consumer interest profile is explicitly described as follows:

> "Consumer interest profile 124 includes demographic and other information detailing the consumer's interests, habits and preferences. This consumer interest profile 124 information can be used by advertisers 62 to target advertisements selectively to certain consumers and not to others (e.g., teenage boys can be sent skateboard ads, mothers can be sent children's clothing ads, retirees can be sent conservative investment information, golfers can be sent golf product ads, etc.)." (Col. 12, lines 27-35.)

Demographic or other information, such as interest, habits, and consumption preferences, however, constitute only generalized information *about* a consumer. Such information does not provide any kind of rule whatsoever. Specifically, Goldhaber does not provide a specific set of consumer-specified rules specifying a minimum cash or cash-equivalent incentive for which a consumer will exchange specific items of consumer-specific information, as recited in each of the amended claims.

Secondly, Goldhaber does not provide for, nor operate on the basis of, merchant-specific rules having the attributes provided by Applicants' invention. Goldhaber's software agents, referred to as "salesmen," are only configured to seek out "willing buyers." (See Col. 19, lines 31-35.) The software agents, however, do not operate according to a series of merchant-specified rules specifying a plurality of cash or cash-equivalent incentives offered to a consumer in exchange for consumer-specific information, as also recited in each of the amended claims.

It follows that Goldhaber does not teach, expressly or inherently, determining whether an agreement for the exchange of consumer-specific information can be reached based upon a comparison such rules. Goldhaber does not provide any such rules.

More fundamentally, Goldhaber does not provide a mechanism comparable to Applicants' negotiation engine. In Goldhaber, agents buy and sell without any intermediary as provided by Applicants' negotiation engine. (See, e.g., Col. 20, lines 21-32.) An exchange is consumated with Goldhaber only by a consumer selecting a "CyberCoin icon." (See, e.g., Col. 16, lines 36-41.) Regardless that Goldhaber's merchant software agent seeks "willing buyers" and Goldhaber's consumer software agent conveys a consumer profile, it remains that in every exchange scenario using Goldhaber's system it is the interaction of the consumer and merchant directly or through the interaction of their software agents that an exchange is consummated. Goldhaber provides no intermediary.

In particular, Goldhaber does not provide a intermediary in the form of a negotiation engine configured to determine whether an agreement to exchange consumer-specific information can be reached based on the comparison of a set of merchant-specified rules with a set of consumer-specified rules, as further recited in the amended claims. It further follows that Goldhaber does not teach that a transaction is consumated based upon such a comparison made by an autonomous intermediary, such as a negotiation engine.

Accordingly, Goldhaber fails to expressly or inherently teach every feature recited in amended Claims 1, 11, 23, 27, and 37. Applicants, therefore, respectfully submit that the claims define over the prior art. Applicants further respectfully submit that whereas as each of the remaining claims depends from one of Claims 1, 11, 23, 27, and 37 while reciting additional features, these dependent claims likewise define over the prior art.

Claims 9, 10, 19, 20, 35, 36, 45, and 46

As also noted above, Claims 9, 10, 19, 20, 35, 36, 45, and 46 were rejected under 35 U.S.C. §112, it being asserted that there is not adequate support for the step of biasing a comparison in favor of either a merchant or a consumer. Applicants, however,

respectfully point to portions of the Specification where this feature is explicitly described. For example, it is stated in the Specification that

"Though the NE [negotiation engine] 210 can be neutral mediator between the consumer and the merchant, in another embodiment of the invention, the NE can be programmed with a bias towards either the merchant or the consumer. For example, the party installing the privacy negotiation system can bias the system towards that party's objectives. Thus, if the privacy negotiation system was installed by a consortium of merchants, the privacy application system can be biased in favor of the merchants." (Specification, p. 14, lines 14-19; see also p. 6, lines 9-10.)

One of ordinary meaning skill in the art would easily understand what is meant by such biasing. This is especially true in the total context of the invention wherein a determination as to whether or not a transaction can be agreed to is made on the basis of a comparison of a set of merchant-specified rules with a set of consumer-specified rules, and a transaction is consummated only if an affirmative determination is made. As clearly conveyed in the Specification, the system is biased when the terms of a transaction are more favorable to either the merchant or consumer. Accordingly, the meaning of biasing is evident. Moreover, it would be within the competency of one of ordinary skill to effectuate such biasing without undue experimentation. Applicants respectfully submit that these conditions more than adequately meet the strictures of 35 U.S.C. §112.
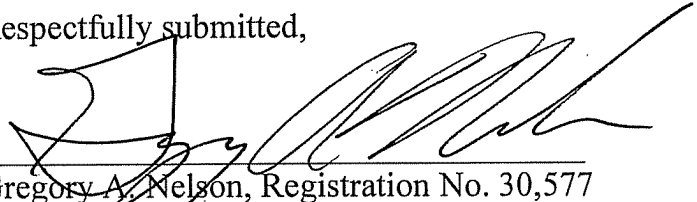
CONCLUSION

Applicants believe that this application is now in full condition for allowance, which action is respectfully requested. Applicants request that the Examiner call the undersigned if clarification is needed on any matter within this Amendment, or if the

Examiner believes a telephone interview would expedite the prosecution of the subject application to completion.

Respectfully submitted,

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